

Laguindingan attracts 2 possible challengers

AT LEAST two parties have expressed interest in the upgrade and operations contract for Laguindingan International Airport in northern Mindanao, the Department of Transportation (DoTr) said.

“There are two challengers, they have not submitted a counter proposal yet, but they have expressed interest,” Roberto C.O. Lim, Transportation undersecretary for aviation and airports, told reporters on Wednesday.

Mr. Lim made the announcement during the 2024 Aviation Summit organized by the European Chamber of Commerce of the Philippines.

The two parties have paid the participation fees but have not yet submitted their counter proposal, he said.

In February, the DoTr announced that companies were open to challenge the P12.75-billion proposal of Aboitiz Infra-

Capital, Inc. to operate, maintain, and expand Laguindingan.

“The Swiss challenge has started. We published yesterday the bid, the instruction to bidders that will identify the technical, financial eligibility,” Mr. Lim said.

The Swiss challenge process allows original proponents (OPs) to undertake a project unsolicited, opening up their bid to a challenge by other parties, which the OP then has a right to match.

The DoTr said if no parties end up formally challenging Aboitiz InfraCapital, the contract can be awarded to the OP within 90 days.

According to the guidelines to challengers published by the DoTr, a qualified challenger must have a net worth of at least P3.8 billion or its foreign currency equivalent.

“In case of a consortium, the net worth of consortium members who have an equity share of at least 25% each in the consor-

tium may be added together,” the DoTr said.

The challenger must also have expertise in the operation and maintenance of an international airport, being involved in the industry for at least three consecutive years. The capacity of the airport it was previously involved in must be at least five million passengers yearly.

Aside from Laguindingan, the infrastructure arm of the Aboitiz

group has also submitted unsolicited proposals for Bohol-Panglao International Airport and Bicol International Airport.

In 2022, Aboitiz InfraCapital finalized a deal with Megawide Construction Corp. and GMR Airports International, B.V., allowing it to acquire shares in GMR-Megawide Cebu Airport Corp., the company behind the Mactan-Cebu International Airport. — **Ashley Erika O. Jose**

Cerberus sees Hyundai unit starting at Subic yard within 18 months

US INVESTMENT firm Cerberus Capital Management said it expects a South Korean shipbuilder which leased a portion of its shipyard in Subic to begin operations in 12-18 months.

Cerberus unit Agila Subic shipyard signed a multi-year lease agreement with Hyundai Group unit HD Korea Shipbuilding and Offshore Engineering, which plans to manufacture maritime products at the 350-hectare facility targeted at the offshore wind industry.

The return of shipbuilding to the Subic area will involve tens to hundreds of millions of dollars in investment and generate thousands of jobs, Cerberus Senior Managing Director Alexander Benard said in an online briefing.

“HD Hyundai KSOE will be leasing a large section of the shipyard from us and will be bringing maritime manufacturing back to Subic at a very large scale with an initial focus on offshore wind platforms,” Mr. Benard said.

“This will create very substantial employment and will really bring that economic activity and vitality back to the Subic Bay region ... but of course it will take some time to ramp up (operations),” he added.

The agreement with HD Hyundai KSOE, which was formally announced at Malacañang Palace on Tuesday, was signed through Cerberus affiliate Agila South, Inc.

“When we acquired the Hanjin facility two years ago, we set out to revitalize the shipyard, repurpose the site into a multi-use facility, and bring thousands of jobs to the Subic Bay region,” Mr. Benard said, referring to the previous occupant, which went into administration after defaulting on \$1.3 billion in debt.

“We’re pleased to take the next step in delivering on that vision by partnering with a premier global shipbuilding and offshore engineering company to make a substantial commitment to the future of Subic Bay and its surrounding communities,” he added.

HD Hyundai KSOE will be building a facility capable of handling offshore wind structures, ship block fabrication, ship repair, and other services. It will operate in the yard’s largest dry dock.

Kim Sungjoon, chief executive officer of HD Hyundai KSOE, said that the “initiative represents a major opportunity to create jobs and reinvigorate the local

economy, which will help to further establish the Philippines as a global maritime powerhouse.”

Cerberus now has four major tenants in the Subic Bay facility. The other tenants are global subsea cable company Subcom, logistics company V2X, and the Philippine Navy.

The entire facility can host 20,000 workers, according to Mr. Benard, which was also the same staffing level under Hanjin Heavy Industries and Construction Philippines, Inc.

Cerberus acquired the yard in April 2022 and rebranded it Agila Subic.

“What that means is that for three years, the facility was effectively mothballed; it was not operating, and when you have a facility that is not working for three years, things start to fall into a bit of a state of disrepair,” Mr. Benard said.

“So when we stepped in and took over the asset in April of 2022, we had to begin a process of revitalizing this asset and putting it back into operational condition,” he added.

However, instead of implementing the same business plan as Hanjin, which used the facility as one a shipbuilding factory, Cer-

berus took a multi-use approach, leasing to various industrial and manufacturing tenants.

Mr. Benard said Cerberus is in talks with other ship repair and maintenance business to fill the remaining space in the yard.

“That is part of the plan, and that is really, I guess, the final piece that we anticipate finalizing later this year as well,” Mr. Benard said.

“We are in active discussions with a few parties, and we believe that before the end of this year we will have signed a lease agreement with a commercial company... to establish a ship repair and maintenance business,” he added.

Meanwhile, Mr. Benard said that Cerberus is also looking at other assets and opportunities in the Philippines.

“The broad categories that are of interest to us are in areas like semiconductor manufacturing and assembly and other types of logistics assets, as we believe logistics and transportation are important areas for the country,” he said.

“Those are really the types of things that we are looking at, and we are hoping to find some specific opportunities in the next year or two,” he added. — **Justine Irish D. Tabile**

Qatar, PHL commit to approve IPPA this year

QATAR and the Philippines have agreed to approve an Investment Promotion and Protection Agreement (IPPA) within the year, the Department of Trade and Industry (DTI) said.

“The entry into force of the IPPA is expected to significantly deepen the economic ties between the Philippines and Qatar,” Trade Secretary Alfredo E. Pascual said in a statement on Wednesday.

The parties to the IPPA negotiations are the DTI and Qatar’s Minister of Commerce and Industry.

“We are confident that finalizing the ratification process will translate into productive investment figures contributing to our mutually shared prosperity,” Mr. Pascual added.

According to the DTI, the Philippines has completed the domestic procedures for moving forward with the agreement, while Qatar is finalizing the Arabic version of the IPPA, which it needs for their own ratification process.

The IPPA was signed in 2017 during the visit of former President Rodrigo R. Duterte to Qatar.

Mr. Pascual discussed the ratification process with Qatar Minister of Commerce and Industry Sheikh Mohammed Bin Hamad Bin Qassim Al-Abdullah Al-Thani on the sidelines of this week’s Qatar Economic Forum.

Aside from agreeing to ratify the IPPA within the year, the two sides also agreed to pursue a memorandum of understanding (MoU) to cooperate on intellectual property rights protection.

Under the partnership, both countries will exchange information, best practices, and training programs and conduct high-level dialogues on intellectual property policy to help address concerns about the proliferation of fake Philippine brands in the Middle East.

“The Philippine delegation expressed concern about the proliferation of counterfeits in the Middle East, including Qatar,” the department said.

“They said enhanced cooperation on intellectual property rights protection, including the proposed MoU, would address these concerns and create a more fair and secure environment,” it added.

The two sides also agreed to organize a business forum and a business-to-business matching session on the sidelines of the Philippines-Qatar Joint Economic, Commercial, and Technical Committee, which is expected to take place in the first quarter of 2025.

“We are pleased with the progress made in this meeting, and we are positive that the finalization of the IPPA ratification process will soon pave the way for its full implementation,” Mr. Pascual said. — **Justine Irish D. Tabile**

OPINION

EoPT on tax filing and withholding: A closer look

With the signing of the Ease of Paying Taxes (EoPT) Act (Republic Act No. 11976), taxpayers expect to benefit from improvements in the manner of tax filing and payment, as well as in the withholding of taxes. The Bureau of Internal Revenue (BIR) has issued Revenue Regulations (RR) No. 4-2024 to implement these changes.

TAXWISE OR OTHERWISE
RENZ ANTHONY K. BOALOY

is in addition to the following individuals who, even under the old rules, were not required to file: (1) individuals earning purely compensation income whose annual taxable income does not exceed P250,000; (2) individuals whose income tax has been correctly withheld by their employer; (3) individuals whose sole income has been subjected to final withholding tax; and (4) minimum wage earners. It is worth noting that the income tax exemption of OFWs on earnings abroad was available in the Tax Code even before the EoPT Law. Thus, this new implementing provision is just updating the list of individuals not required to file income tax returns and reiterating the exemption of OFWs.

RULES ON WITHHOLDING OF TAX
The EoPT Law also streamlined the timing of withholding taxes. Under the new law, the obligation of the payor to deduct and withhold taxes arises at the time an income has become payable.

In implementing this provision, RR 4-2024 adopted the old withholding tax rules when it defined the term “payable” as the date the obligation becomes due, demandable or legally enforceable. The RR likewise retained the accrual trigger for withholding taxes by stating that the obligation of the payor to deduct and withhold the tax arises at the time an income payment is accrued or recorded as an expense or asset, whichever is applicable, in the payor’s books, or at the issuance by the seller of the sales invoice or other adequate document to support such payable, whichever comes first.

In contrast to the pre-EoPT rule on the timing of withholding of taxes, the point of withholding upon payment was removed. Further, the issuance of the sales invoice or other adequate document to support the payable was added as a trigger point for the obligation to withhold.

To reiterate, the EoPT Law provides that the timing of withholding of tax is when the income becomes payable. There is no qualification that the withholding tax falls due when it is payable or accrued, whichever comes first. While the terms “payable” and “accrual” are closely related and expenses are generally accrued when they become payable, they are distinct terms. In fact, the issue on timing of withholding upon accrual was raised dur-

ing the Senate public hearings and technical working group discussions, and was precisely the trigger point that most stakeholders wanted to eliminate. Hence, to address the concern, the law provided “payable” for clarity.

I hope that the BIR will issue a clarification on this as one of the objectives of the EoPT Law is to simplify the process of withholding taxes. Essentially, with the “new” trigger points for withholding tax under the RR, there’s not much change in the process as taxpayers are still required to withhold taxes upon accrual of the expenses in the books.

Another welcome change under the EoPT Law is the repeal of Section 34(K) of the Tax Code. Thus, a particular expense on which tax is required to be withheld can now be claimed as deduction from gross income, even if no tax was withheld. Of course, the expense must still meet the other requirements for deductibility, i.e., it must be a necessary, ordinary and duly substantiated expense related to the registered business of the taxpayer. It should be noted that only the requisite for deductibility was repealed, hence the obligation to withhold and remit tax on certain income payments remains.

The BIR also issued Revenue Memorandum Circular (RMC) No. 60-2024 to clarify that the waiving of the withholding tax requirements for expense deductions applies only for taxable year covering Jan. 1, 2024 onwards. Hence, old rules still apply to all assessed tax cases and on-going audits covering taxable periods prior to the effectivity of the EoPT Law.

With the changes brought by the EoPT Law, taxpayers are expected to adopt new, easier processes in the filing and payment of taxes. The BIR should be given credit for issuing the implementing rules and regulations (IRR) of the EoPT Law on time, but I am also hoping that it clarifies certain provisions in the IRR which seem inconsistent with the objectives of the law (i.e., timing of withholding of taxes).

The views or opinions expressed in this article are solely those of the author and do not necessarily represent those of Isla Lipana & Co. The content is for general information purposes only, and should not be used as a substitute for specific advice.

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JOB OPENING

Service and Parts Coordinator
– Mandarin Speaking
(3 vacancy)

- Fluent in Mandarin
- Any nationality who can speak and write Chinese
- Preferably 3-year experience
- With Shipping and equipment background

GEO SHIPPING CORP.
1205 One Global Place, 5th Avenue cor. 25th Street,
Fort Bonifacio, Taguig City
EMAIL: geoshippingcorp@gmail.com

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SALCEDO VILLAGE, MAKATI CITY
Email: ph_recruitment@huawei.com

AUDIT MANAGER

Job Description

- Attending meeting of business and internal control per month, introducing the new policies of headquarters and giving comments to the managements
- In charge of communication with management level about the audit and internal control
- Supervising the improvement from the management and insuring the risk of internal control could be controlled or lowered
- In charge in the automatic data analysis in audit for Asian region, participating risk data platform establishing and feedback including excel tools, VBA (Visual Basic for Applications) tools, web-site analysis perform establishing, RPA (Robotic Process Automation) tools etc.

Qualifications:

- With Bachelor's Degree in Auditing
- Have knowledge of International Professional Practices Framework (Guiding Framework of Internal Audit)
- With knowledge of international standards of Audit and methodologies, risk audit review process and identification of corporate risks
- With at least 3-4 years' experience as Auditor Manager
- Highly proficient in Chinese and English language

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Product Manager

Job Description

- Insight and give path evolution of customer's live network
- Responsible for wireless products pilot test and new products integration of current sites
- Responsible for improving customer's network coverage, capacity, and experience based in Huawei sites
- Keep monitoring the wireless network performance in order to fix the network problems like the site configuration modification
- Responsible for network planning of 4G and 5G based on users and traffic, also based on methodology of Huawei network model
- Use other operators network success cases to help customer's market success including the network traffic package and terminal promotion

Qualifications:

- Preferably with Bachelor's degree in telecommunications engineering, electrical engineering, or a related field
- With good teamwork and communication, bringing people together to contribute to the organization
- Knowledge of wireless network branding and marketing principles is a plus
- Excellent communication and presentation skills, with the ability to convey technical information effectively to diverse audiences
- Highly proficient in Chinese and English language

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SENIOR SALES AND ACCOUNT MANAGER

Job Description

- Ensure operational compliance of the project and its delivery in line with the company's management systems and regulations
- In charge in Making decisions and control measures for major issues and risks, and promptly inform executives of any issues and risks beyond the capability of the project team and ensure they are managed in closed-loop cycle
- Coordinate resources to formulate and ensure effective implementation of the project delivery strategy and solution
- Ensure operational compliance of the project and its delivery in line with the company's management system and regulations

Qualifications:

- With at least 2 years work experience as Senior Sales and Account Manager
- With Bachelor Degree in Computer Science and Technology
- With good teamwork and communication, bringing people together to contribute to the organization
- Have experience in operation, plan integration, inventory and efficiency index management
- With ability to quick match customer needs industry scenarios, solution's, good market insight and communication skills
- Highly proficient in Chinese and English language